

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
TYLER DIVISION**

ADVANCEME, INC., Plaintiff, v. AMERIMERCHANT LLC, Defendant.	§ § § § § § § §	CIVIL CASE NO. 6:06-cv-82 (LED)
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**PLAINTIFF ADVANCEME, INC.’S INITIAL DISCLOSURES TO
DEFENDANT AMERIMERCHANT, LLC**

Plaintiff AdvanceMe, Inc. (“AdvanceMe”) hereby provides its initial disclosures pursuant to the Court’s June 20, 2006 Discovery Order. These initial disclosures are based on information reasonably available to AdvanceMe at this time. AdvanceMe may amend or supplement these disclosures based upon its continuing investigation and subsequent discovery. AdvanceMe’s initial disclosures are made without waiving AdvanceMe’s right to object to any discovery request or other proceeding related to the subject matter of these disclosures on the basis of competency, privilege, relevancy, materiality, hearsay, or any other proper ground for objection.

I. CORRECT NAMES OF PARTIES

The correct names of the parties to this lawsuit are as stated in the complaint:

AdvanceMe, Inc., and AmeriMerchant, LLC.

II. POTENTIAL PARTIES

AdvanceMe is unaware of any additional parties to this action at the present time.

III. LEGAL THEORIES AND FACTUAL BASES OF PLAINTIFF’S CLAIMS

AdvanceMe is the owner of United States Patent No. 6,941,281 (“the ‘281 Patent”). The

'281 Patent is generally related to systems and methods for automated repayment of an obligation to a third party by utilizing consumer payment authorization, clearing and settlement systems for credit, debit, smart, charge, or payment cards, among other financial instruments.

Defendant AmeriMerchant is a provider of financial services and is a direct competitor of AdvanceMe. Based on the information presently available to AdvanceMe, the financial services provided by AmeriMerchant infringe AdvanceMe's '281 Patent. AdvanceMe asserts that AmeriMerchant directly and indirectly infringes the asserted claims as identified in AdvanceMe's Disclosure of Asserted Claims and Preliminary Infringement Contentions for Defendant AmeriMerchant LLC by using and offering financial services products that utilize the systems and methods of the '281 Patent in the United States, and/or by actively inducing others to use these products in an infringing manner and/or otherwise contributing to the infringement of AdvanceMe's patent by others.

IV. PERSONS WITH KNOWLEDGE

Based on the information currently available to AdvanceMe, the following individuals may have knowledge of discoverable information that AdvanceMe may use to support its claims and defenses.

Name	Employer	Contact Information	General Subject Matter
David Goldin	AmeriMerchant LLC	AmeriMerchant LLC 475 Park Avenue South 15th Floor New York, NY 10026	Infringement of the patented inventions; willful infringement.

Name	Employer	Contact Information	General Subject Matter
Tom Burnside	AdvanceMe, Inc.	Can be contacted through AdvanceMe's counsel of record.	The features, desirability, marketing and sales of AdvanceMe's products covered by the '281 Patent and the industry for the automated repayment of obligations by utilizing systems and methods covered by the '281 Patent.
Matthew T. Byrne	Wilmer Cutler Pickering Hale and Dorr LLP	299 Park Avenue New York, NY 10022 212-937-7252	One of the patent attorneys involved in the prosecution of the '281 Patent and may have information relating to the validity and reduction to practice of the '281 Patent.
Les Falke	Former employee of AdvanceMe, Inc.	Can be contacted through AdvanceMe's counsel of record.	The features, desirability, marketing and sales of AdvanceMe's products covered by the '281 Patent and the industry for the automated repayment of obligations by utilizing systems and methods covered by the '281 Patent.
Franck Fatras	AdvanceMe, Inc.	Can be contacted through AdvanceMe's counsel of record.	The features, desirability, marketing and sales of AdvanceMe's products covered by the '281 Patent and the industry for the automated repayment of obligations by utilizing systems and methods covered by the '281 Patent.
John V. Forcier	Goodwin Procter LLP	53 State Street Exchange Place Boston, MA 02109 617-570-1607	One of the attorneys involved in the prosecution of the '281 Patent.
Barbara S. Johnson		Can be contacted through AdvanceMe's counsel of record.	Inventor of the '281 Patent.
David Klein	Paul, Hastings, Janofsky & Walker LLP	Park Avenue Tower 75 E. 55th Street First Floor New York, NY 10022 212-318-6000	One of the attorneys involved in the prosecution of the '281 Patent.

Name	Employer	Contact Information	General Subject Matter
Anthony L. Meola	Kelly Drye & Warren LLP	101 Park Avenue New York, NY 10178 212-808-7911	One of the attorneys involved in the prosecution of the '281 Patent.

All current and former AdvanceMe employees should be contacted through AdvanceMe's counsel of record.

V. INDEMNITY AND INSURING AGREEMENTS

AdvanceMe is presently unaware of any indemnity or insuring agreements that would be applicable to its claims.

VI. SETTLEMENT AGREEMENTS

There are no settlement agreements relevant to the subject matter of this action.

VII. STATEMENT OF ANY PARTY

AdvanceMe is presently unaware of any statement of any party to this litigation that may be relevant to this case.

VIII. DOCUMENTS

AdvanceMe is in the process of collecting documents, data, compilations and tangible things that AdvanceMe may use to support its claims or defenses of which it currently has knowledge and that are currently in its possession, custody or control. These documents may relate to the prosecution history, infringement and validity of the '281 Patent.

In addition to the documents previously produced by AdvanceMe, copies of any other documents relevant to AdvanceMe's claims and defenses that are in AdvanceMe's possession, custody or control will be produced or made available in accordance with the Federal Rules of Civil Procedure and this Court's Docket Control Order, Local Rules and Patent Local Rules.

IX. DAMAGES

AdvanceMe is seeking actual damages together with prejudgment interest according to proof, and enhanced damages pursuant to 35 U.S.C. §284. AdvanceMe is also seeking to recover its attorneys' fees pursuant to 35 U.S.C. §285, as well as its costs.

As AmeriMerchant LLC has not yet provided AdvanceMe with information that would allow AdvanceMe to compute its actual damages, AdvanceMe cannot compute its actual damages at this time. However, on information and belief, AdvanceMe's actual damages exceed the jurisdictional minimum of this Court.

Respectfully submitted,

Date: August 4, 2006

By: /s/ Robert C. Matz
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